

APPENDIX A

Qwest's and Level 3's respective proposals for sections 7.3.1.1.3 and 7.3.11.3.1 of the interconnection agreement are set forth below.

Qwest's proposed sections are as follows:

7.3.1.1.3 If the Parties elect to establish LIS two-way trunks, for reciprocal exchange of Exchange Service (EAS/Local) traffic, the cost of the LIS two-way facilities shall be shared among the Parties by reducing the LIS two-way EF rate element charges as follows:

7.3.1.1.3.1 The provider of the LIS two-way Entrance Facility (EF) will initially share the cost of the LIS two-way EF by assuming an initial relative use factor of fifty percent (50%) for a minimum of one quarter. The nominal charge to the other Party for the use of the Entrance Facility (EF), as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data **for non-Internet Related traffic** to substantiate a change in that factor. If either Party demonstrates **with non-Internet Related data** that actual minutes of use during the first quarter justify a relative use factor other than fifty percent (50%), the Parties will **retroactively true up first quarter charges**. Once negotiation of a new factor is finalized, the bill reductions and payments will apply going forward, for a minimum of one quarter. By agreeing to this interim solution, Qwest does not waive its position that Internet Related Traffic or traffic delivered to Enhanced Service Providers is interstate in nature.

Level 3's proposed language is as follows:

7.3.1.1.3 If the Parties elect to establish LIS two-way trunks, for reciprocal exchange of Exchange Service (EAS/local) **(including traffic originated by Enhanced Service Providers), ISP bound traffic, Exchange Access (IntraLATA toll carried solely by Local Exchange Carriers) and Jointly Provided Switched Access (InterLATA and IntraLATA toll involving a third-party IXC)**, the cost of the LIS two-way facilities shall be shared among the Parties by reducing the LIS two-way EF rate element charges as follows:

7.3.1.1.3.1 **Where the Parties have been exchanging traffic**

prior to the Effective Date of this Agreement in [STATE], the Parties shall utilize the existing relative use factor already employed to determine sharing of costs in that [STATE]. Where the Parties have not been exchanging traffic previously in [STATE] prior to the Effective Date of this Agreement, the provider of the LIS two-way Entrance Facility (EF) will initially share the cost of the LIS two-way EF by assuming an initial relative use factor of fifty percent (50%) for a minimum of one quarter. The nominal charge to the other Party for the use of the Entrance Facility (EF), as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data to substantiate a change in that factor. **(For example, if Level 3 originates 600 minutes of traffic and Qwest originates 400 minutes of traffic over the two-way EF, the new relative use factor for Level 3 would be 60% and the new relative use factor for Qwest would be 40%. Level 3 would then bear 60% of the cost of the two-way EF, and Qwest would bear 40% of the cost.)** If either Party demonstrates that actual minutes of use during the first quarter justify a relative use factor other than fifty percent (50%), the Parties will **apply the new factor going forward.** Once negotiation of a new factor is finalized, the bill reductions and payments will apply going forward, for a minimum of one quarter. By agreeing to this interim solution, Qwest does not waive its position that Internet Related Traffic or traffic delivered to Enhanced Service Providers is interstate in nature.